HOUSING MARKET INFORMATION

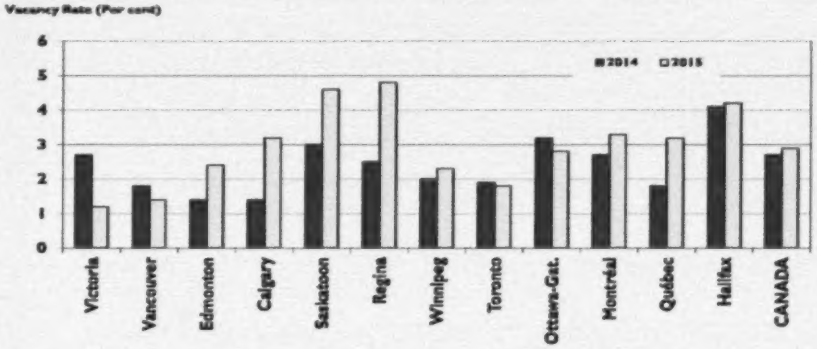
RENTAL MARKET REPORT
Canada Highlights

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Spring 2015

Figure 1

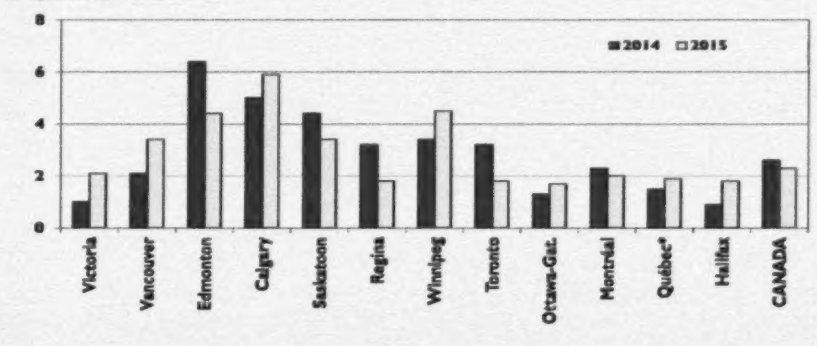
April Vacancy Rate - Selected CMAs & Canada
Apartment Structures of Three or More Units, Privately Initiated



Source: CMHC, Rental Market Survey; Ottawa-Gatineau is the Ontario part; Canada is an average of 35 major centres.

Figure 2

Percentage Change of Two-Bedroom Average Rent
Apartment Structures of Three or More Units, Privately Initiated



Source: CMHC, Rental Market Survey; Ottawa-Gatineau is the Ontario part; Canada is an average of 35 major centres.

Rental vacancy rate stable this spring

The average vacancy rate for primary purpose-built apartments in Canada's 35 major centres[1] was 2.9 per cent in April 2015[2], compared to 2.7 per cent in April 2014. This difference is not statistically significant, thereby indicating stability in the overall vacancy rate.

The stability of the national vacancy rate is due to offsetting regional trends that largely reflect the negative impact of lower oil prices on rental demand in oil-producing provinces. Census Metropolitan Areas (CMAs) in Alberta and Saskatchewan, in particular, saw vacancy rates rise since the April 2014 rental market survey. Vacancy rates also increased in the Québec CMA, reflecting decreases in net migration, weak employment growth and an increased stock of new rental units. On the other hand, vacancy rates decreased in most of the major centres of Ontario and British Columbia, reflecting stronger economic conditions and higher house prices (Figure 1).

[1] Major centres are based on Statistics Canada Census Metropolitan Areas (CMAs), with the exception of the Ottawa-Gatineau CMA, [illegible] purposes, and Charlottetown which is a Census Agglomeration (CA).

[2] Note that the spring survey covers apartment and row structures containing at least three rental units, and, unlike the fall survey, [illegible] of report information on: a) Smaller geographic zones within centres; b) Secondary rental market (rented condominiums, [illegible] duplexes or accessory apartments).

In particular, in Ontario improving employment conditions for young adults aged 15 to 24, a key source of rental demand, and a stable stock of rental units placed downward pressure on vacancy rates, while in British Columbia, lower vacancy rates reflected increased international immigration, another key source of rental demand, which more than offset an increase in the province's rental market supply.

While the vacancy rate in major Atlantic centres remained above the national average, most Atlantic centres registered a decline in vacancy rates in April 2015, reflecting both a reduction in new supply as well as continuing support in demand from an aging population. This includes St. John's in Newfoundland and Labrador, where the energy industry continues to be an important contributor. As a number of new energy projects in the province continue to advance, the St. John's economy has remained resilient, to some extent, within the current environment of lower oil prices. However, if oil prices remain low for a sustained period of time, the vacancy rate in St. John's is likely to increase.

Average monthly rents for two-bedroom apartments

The two-bedroom average rent in new and existing structures in Canada's 35 major centres was $949 in April 2015.

Among major centres, the highest average monthly rent was in Vancouver ($1,345), while the lowest was in Trois-Rivières ($571). The highest and lowest vacancy rates, along with average two-bedroom rent in new and existing structures in CMAs are indicated in Figure 3.

Year-over-year comparisons of average rents can be slightly misleading because rents in newly built structures tend to be higher than in existing buildings. Excluding new structures provides a better indication of actual rent increases paid by tenants; this is called the fixed sample rent (see Technical Note on page 5).

Overall, the fixed sample average rent for two-bedroom apartments in existing structures across Canada's 35 major centres increased 2.3 per cent between April 2014 and April 2015; compared to 2.6 per cent between the 2013 and 2014 surveys.

The CMAs with the largest increase in fixed sample average rent were Calgary (5.9 per cent), Winnipeg (4.5 per cent) and Edmonton (4.4 per cent)[3]. In both Calgary and Edmonton, the increase in fixed sample rents can largely be attributed to rent increases from the first half of 2014. In Winnipeg, the increase exceeded the provincial rent increase guideline. This can be explained by the fact that there are some exceptions to the regulation which allow for a rent increase in excess of that set out in the guideline. The lowest increases were in Charlottetown and Abbotsford-Mission (both at 1.2 per cent), Trois-Rivières (1.4 per cent), and Kitchener-Cambridge-Waterloo (1.5 per cent).

Availability rates[4] slightly increased nationally

The average rental apartment availability rate in Canada's 35 major centres was 5.2 per cent in April 2015, compared to 5.0 per cent in April 2014. Provincially, the highest availability rate was in New Brunswick (8.6 per cent), while the lowest was in British Columbia (2.5 per cent).

Availability rates were highest in Moncton (9.4 per cent), Québec (9.1 per cent) and Sherbrooke (8.8 per cent). The lowest rates were in Vancouver (1.8 per cent), Guelph (2.5 per cent), Kelowna and Victoria (both at 2.6 per cent).

Figure 3

Major Centres with Lowest and Highest Vacancy Rates and Rents in the Rental Market Survey Apr-15

Centres	Total Vacancy Rate (%)	Centres	Average Rent 2 Bedroom ($) (New and existing structures)
Lowest		**Lowest**	
Guelph CMA	0.6	Trois-Rivières CMA	571
Victoria CMA	1.2	Saguenay CMA	583
Vancouver CMA	1.4	Sherbrooke CMA	607
Highest		**Highest**	
Moncton CMA	8.8	Vancouver CMA	1,345
Saint John CMA	8.4	Calgary CMA	1,319
Ottawa-Gatineau CMA (Que. Part)	6.2	Toronto CMA	1,269

[3] Greater Sudbury also recorded a fixed-sample average rent increase of 4.4 per cent, however reflecting a much lower sample size of survey respondents in this CMA than in the aforementioned CMAs, this is not a statistically strong result.

[4] A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant.

1.0 Rental Market Indicators
Privately Initiated Apartment Structures of Three Units and Over
Provinces and Major Centres[1]

Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom ($) (New and existing structures)		Percentage Change of Average Rent Two Bedroom [2] From Fixed Sample (Existing structures only)	
	Apr-14	Apr-15	Apr-14	Apr-15	Apr-14	Apr-15	Apr-13 to Apr-14	Apr-14 to Apr-15
Newfoundland & Labrador 10,000+	4.3 b	3.5 a	4.8 b	3.8 a	785 a	817 a	2.6 b	3.6 c
St. John's CMA	4.8 b	3.4 b	5.4 b	3.7 b	857 a	893 a	2.5 c	4.3 d
Prince Edward Island 10,000+	8.5 a	6.5 a	9.3 a	7.3 a	803 a	829 a	++	1.0 a
Charlottetown CA	8.7 a	6.1 a	9.6 a	7.0 a	814 a	845 a	++	1.2 a
Nova Scotia 10,000+	4.5 a	4.6 a	5.9 a	6.0 a	959 a	980 a	1.0 a	1.8 c
Halifax CMA	4.1 a	4.2 a	5.8 a	5.9 a	1,010 a	1,035 a	0.9 c	1.8 c
New Brunswick 10,000+	9.1 a	8.0 a	10.0 a	8.6 a	725 a	746 a	++	++
Moncton CMA	10.7 c	8.8 b	11.9 c	9.4 a	768 a	768 a	++	++
Saint John CMA	10.0 b	8.4 b	10.7 c	8.7 b	687 a	717 a	++	++
Québec 10,000+	2.9 a	3.5 b	5.9 a	6.6 a	709 a	714 a	2.2 b	1.9 b
Ottawa-Gatineau CMA (Que. Part)	5.8 b	6.2 b	7.8 b	7.4 b	740 a	747 a	++	++
Montréal CMA	2.7 a	3.3 b	5.2 b	5.9 b	742 a	742 a	2.3 c	2.0 c
Québec CMA	1.8 a	3.2 c	7.5 b	9.1 b	766 a	777 a	1.5 c	1.9 b
Saguenay CMA	4.1 c	4.7 c	6.2 b	7.8 b	562 a	583 a	2.2 c	++
Sherbrooke CMA	4.7 b	4.2 b	8.3 a	8.8 b	594 a	607 a	2.5 c	2.2 b
Trois-Rivières CMA	3.4 b	3.4 b	8.4 b	8.2 b	571 a	571 a	1.5 c	1.4 d
Ontario 10,000+	2.8 a	2.5 a	4.9 a	4.3 a	1,072 a	1,099 a	2.7 a	2.1 a
Barrie CMA	2.1 a	1.7 b	3.5 b	3.8 b	1,052 a	1,122 a	1.4 a	3.3 c
Brantford CMA	4.4 b	1.8 b	6.6 b	3.5 b	831 a	846 a	2.4 b	2.8 b
Greater Sudbury/Grand Sudbury CMA	5.0 b	4.6 b	6.6 b	6.5 b	940 a	986 a	++	4.4 c
Guelph CMA	1.7 b	0.6 a	3.7 b	2.5 a	967 a	994 a	3.4 a	2.9 a
Hamilton CMA	3.9 a	1.8 a	6.2 a	2.9 a	943 a	998 a	2.8 a	3.5 c
Kingston CMA	3.4 b	2.8 b	5.8 a	5.6 b	1,057 a	1,066 a	3.1 c	2.0 a
Kitchener-Cambridge-Waterloo CMA	3.6 b	2.9 a	5.7 a	4.8 b	960 a	969 a	2.9 a	1.5 b
London CMA	3.6 a	3.8 a	7.7 a	6.1 a	921 a	953 a	1.5 a	3.2 c
St. Catharines-Niagara CMA	3.8 b	3.1 b	6.4 a	5.3 a	896 a	913 a	2.2 b	2.3 c
Oshawa CMA	1.6 a	1.7 a	2.2 a	2.8 a	1,005 a	1,049 a	4.0 a	2.1 c
Ottawa-Gatineau CMA (Ont. Part)	3.2 a	2.8 a	6.6 a	5.4 a	1,136 a	1,159 a	1.3 a	1.7 b
Peterborough CMA	3.7 b	4.0 b	6.5 b	4.9 a	941 a	963 a	1.7 b	1.6 b
Thunder Bay CMA	2.4 a	4.7 a	4.1 a	6.1 a	862 a	895 a	**	4.0 b
Toronto CMA	1.9 a	1.8 a	3.5 a	3.7 a	1,241 a	1,269 a	3.2 c	1.8 c
Windsor CMA	5.0 b	4.9 b	7.1 a	5.7 a	801 a	815 a	2.0 b	2.3 b

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

↑ indicates the year-over-year change is a statistically significant increase, ↓ indicates the change is a statistically significant decrease, while – indicates that the change is not statistically significant.

Please click Methodology **or** Data Reliability Tables Appendix **link for more details**

1.0 Rental Market Indicators
Privately Initiated Apartment Structures of Three Units and Over
Provinces and Major Centres[1]

Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom ($) (New and existing structures)		Percentage Change of Average Rent Two Bedroom [2] From Fixed Sample (Existing structures only)	
	Apr-14	Apr-15	Apr-14	Apr-15	Apr-14	Apr-15	Apr-13 to Apr-14	Apr-14 to Apr-15
Manitoba 10,000+	**2.1** a	**2.3** a	**3.3** a	**3.9** a	**940** a	**1,002** a	**3.2** c	**4.4** a
Winnipeg CMA	2.0 a	2.3 a	3.4 a	4.1 a	969 a	1,033 a	3.4 c	4.5 b
Saskatchewan 10,000+ (3)	**3.3** a	**5.6** a	**4.6** a	**7.2** a	**1,036** a	**1,075** a	**4.3** a	**2.8** a
Regina CMA	2.5 a	4.8 a	3.4 a	5.6 a	1,053 a	1,095 a	3.2 b	1.8 b
Saskatoon CMA	3.0 a	4.6 a	5.0 a	6.9 a	1,075 a	1,112 a	4.4 a	3.4 b
Alberta 10,000+ (4)	**1.8** a	**3.4** a	**2.6** a	**5.0** a	**1,190** a	**1,249** a	**5.5** b	**4.8** b
Calgary CMA	1.4 a	3.2 b	2.7 a	5.3 b	1,267 a	1,319 a	5.0 b	5.9 c
Edmonton CMA	1.4 a	2.4 a	2.0 a	3.9 b	1,180 a	1,250 a	6.4 c	4.4 b
British Columbia 10,000+	**2.4** a	**1.8** a	**3.6** a	**2.5** a	**1,090** a	**1,136** a	**1.8** b	**3.0** a
Abbotsford-Mission CMA	3.7 a	3.6 a	4.6 a	4.7 b	826 a	861 a	0.7 b	1.2 b
Kelowna CMA	1.5 a	1.9 a	3.1 a	2.6 a	964 a	998 a	0.5 a	3.4 b
Vancouver CMA	1.8 a	1.4 a	2.8 a	1.8 a	1,274 a	1,345 a	2.1 c	3.4 c
Victoria CMA	2.7 a	1.2 a	4.6 a	2.6 a	1,084 a	1,105 a	1.0 d	2.1 c
Canada CMAs (1)	**2.7** a	**2.9** a	**5.0** a	**5.2** a	**930** a	**949** a	**2.6** a	**2.3** a
Canada 10,000+	**2.9** a	**3.1** a	**5.1** a	**5.3** a	**904** a	**924** a	**2.5** a	**2.4** a

[1] Major centres refer to Census Metropolitan Areas (CMA), except for Charlottetown.

[2] The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

[3] Includes both Alberta and Saskatchewan portions of Lloydminster CA.

[4] Does not include Alberta portion of Lloydminster CA. For Lloydminster CA data, refer to Saskatchewan Highlights report.

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

↑ indicates the year-over-year change is a statistically significant increase, ↓ indicates the change is a statistically significant decrease, while – indicates that the change is not statistically significant.

Please click Methodology **or** Data Reliability Tables Appendix **link for more details**

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

CAUTIONARY NOTE:

In the analysis, comparisons between the results of the October 2014 Rental Market Survey and the April 2015 survey have been avoided. A key reason for this is that changes in rents, vacancy rates, and availability rates between the spring and the fall may not be solely attributable to changes in rental market conditions; they could also reflect seasonal factors. For example, if more people tend to move in the spring than in the fall, it could have an impact on vacancy and availability rates as well as the level of rents. Alternatively, in centres where there are a significant number of university students, vacancy and availability rates could be higher in the spring if students move home for the summer. To the extent that these types of seasonal variations exist, comparing results from the spring and fall Rental Market Surveys could lead to incorrect conclusions about trends in rental market conditions. To avoid this, analysis is limited to the results of our spring Rental Market Survey, comparing results for 2014 and 2015, as well as different centres across Canada.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures.
The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

Use caution when comparing changes in statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. These tables include indicators to help interpret changes. ↑ indicates the year-over-year change is a statistically significant increase, ↓ indicates the year-over-year change is a statistically significant decrease, while – indicates that the effective sample does not allow one to interpret any year-over-year change as being statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

Data presented in this publication is based on Statistics Canada's 2011 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 65 years.

Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable housing solutions that will continue to create vibrant and healthy communities and cities across the country.

For more information, visit our website at www.cmhc.ca or follow us on Twitter, YouTube and Flickr.

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.

Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

The Market Analysis Centre's (MAC) electronic suite of national standardized products is available for free on CMHC's website. You can view, print, download or subscribe to future editions and get market information e-mailed automatically to you the same day it is released. It's quick and convenient! Go to www.cmhc.ca/housingmarketinformation

For more information on MAC and the wealth of housing market information available to you, visit us today at www.cmhc.ca/housingmarketinformation

To subscribe to priced, printed editions of MAC publications, call 1-800-668-2642.

©2015 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

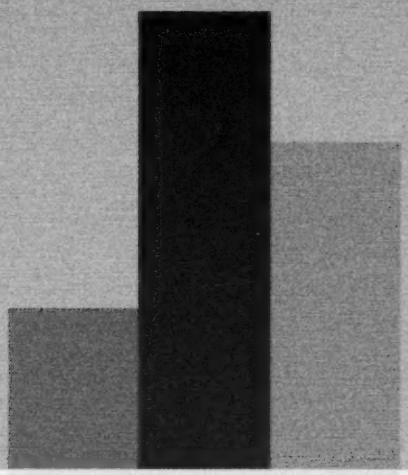
Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of any CMHC Market Analysis publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or entire CMHC Market Analysis publications, please contact: the Canadian Housing Information Centre (CHIC) at chic@cmhc.ca; 613-748-2367 or 1-800-668-2642.

For permission, please provide CHIC with the following information:
Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.

Housing market intelligence you can count on



FREE REPORTS AVAILABLE ON-LINE

- Canadian Housing Statistics
- Condominium Owners Report
- Housing Information Monthly
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports – Canada and Regional
- Housing Market Outlook, Major Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Housing Now, Canada
- Housing Now, Major Centres
- Housing Now, Regional
- Monthly Housing Statistics
- Northern Housing Outlook Report
- Preliminary Housing Start Data
- Rental Market Provincial Highlight Reports
- Rental Market Reports, Major Centres
- Rental Market Statistics
- Residential Construction Digest, Prairie Centres
- Seniors' Housing Reports

CMHC's Market Analysis Centre e-reports provide a wealth of detailed local, provincial, regional and national market information.

- **Forecasts and Analysis –** Future-oriented information about local, regional and national housing trends.
- **Statistics and Data –** Information on current housing market activities – starts, rents, vacancy rates and much more.

Get the market intelligence you need today!

Click www.cmhc.ca/housingmarketinformation to view, download or subscribe.

HOUSING MARKET INFORMATION PORTAL

The housing data you want, the way you want it

Information in one central location.

Neighbourhood level data.

Quick and easy access.

cmhc.ca/hmiportal

64667_2016_B01